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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker, a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited\* (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**溫嶺浙江工量刃具交易中心股份有限公司**

**Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1379)**

### **MAJOR TRANSACTION IN RELATION TO ACQUISITION OF LAND USE RIGHTS**

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A letter from the Board is set out on pages 4 to 8 of this circular.

The Company has obtained written Shareholders' approval in lieu of holding a general meeting of the Company pursuant to the Listing Rules for the Acquisition pursuant to Rule 14.44 of the Listing Rules from Shareholders who hold more than 50% of the total issued Shares giving the right to attend and vote at a general meeting. Accordingly, no general meeting will be held to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules.

This circular is being despatched to the Shareholder for information only.

25 July 2025

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

|                       |   |
|-----------------------|---|
| “Acquisition”         | the acquisition of the land use rights of the Land through the Auction  |
| “Announcement”        | the announcement of the Company dated 10 June 2025, in relation to the Acquisition  |
| “Auction”             | the public auction held by the Bureau at which the Land was offered for sale  |
| “Board”               | the board of Directors of the Company   |
| “Bureau”              | Wenling City Natural Resources and Planning Bureau* (溫嶺市自然資源和規劃局)   |
| “Company”             | Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited* (溫嶺浙江工量刃具交易中心股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1379) |
| “Confirmation Letter” | the confirmation letter (成交確認書) entered into between the Wenling Sunrise and the Bureau on 10 June 2025 (after trading hours)   |
| “Consideration”       | RMB52.06 million, being the price for the grant of the land use rights of the Land  |
| “Director(s)”         | the director(s) of the Company  |
| “Domestic Share(s)”   | ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi  |
| “Group”               | the Company and its subsidiaries  |
| “H Share(s)”          | overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange   |
| “Hong Kong”           | Hong Kong Special Administrative Region of the PRC  |

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## DEFINITIONS

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|                                  |   |
|----------------------------------|---|
| “Independent Third Party(ies)”   | an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules  |
| “Land”                           | the plot of land located in Qianyangxia Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC with plot number GY100417 and a total site area of approximately 19,271 square meters which was offered for sale at the Auction                             |
| “Land Use Rights Grant Contract” | the land use rights grant contract entered into by the Wenling Sunrise and the Bureau for the Acquisition on 10 June 2025 after the execution of the Confirmation Letter  |
| “Latest Practicable Date”        | 24 July 2025, being the latest practicable date for ascertaining certain information in this circular   |
| “Listing Rules”                  | The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended, supplemented or otherwise modified from time to time   |
| “PRC”                            | The People’s Republic of China, but for the purpose of this circular and for geographical reference only, and except where the context requires, references in this circular to the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan |
| “RMB”                            | Renminbi, the lawful currency of the PRC  |
| “SFO”                            | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time  |
| “Share(s)”                       | Domestic Share(s) and/or H Share(s)   |
| “Shareholder(s)”                 | holder(s) of the Share(s)   |
| “Stock Exchange”                 | The Stock Exchange of Hong Kong Limited   |
| “Wenling Sunrise”                | Wenling Sunrise Real Estate Development Co., Ltd.* (溫嶺市旭日投資有限公司), a limited liability company established under the laws of the PRC on 12 June 2018, and a direct wholly-owned subsidiary of the Company as at the date of this circular                            |
| “%”                              | per cent  |

\* for identification purpose only

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## DEFINITIONS

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*In this circular, the terms “close associate”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

*The English names of the PRC entities, PRC laws or regulations and the PRC governmental authorities referred to in this circular are merely translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.*

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## LETTER FROM THE BOARD

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溫嶺浙江工量刃具交易中心股份有限公司

**Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1379)**

*Executive Directors:*

Mr. Chen Xiangbiao

Mr. Guo Jun

Mr. Xu Yi

*Non-executive Directors:*

Mr. Jin Guoxin

Mr. Wang Wenming

Mr. Cheng Jinyun

Mr. Ye Yunzhi

*Independent non-executive Directors:*

Mr. Xu Wei

Ms. He Liyun

Ms. Xu Chunhui

Mr. Wong Ka Wai

*Registered office and Headquarters*

*in the PRC:*

Qianyangxia Village

Wenqiao Town

Wenling City

Zhejiang Province

PRC

*Principal place of business in Hong Kong:*

Suite No. 11B, 22/F

Skyline Tower

No. 39 Wang Kwong Road

Kowloon Bay, Kowloon

Hong Kong

25 July 2025

*To the Shareholders*

Dear Sir/Madam,

### **MAJOR TRANSACTION IN RELATION TO ACQUISITION OF LAND USE RIGHTS**

#### **1. INTRODUCTION**

Reference is made to the Announcement.

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the Acquisition; (ii) the valuation report of the Land; and (iii) other general information of the Company.

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## LETTER FROM THE BOARD

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### 2. BACKGROUND

On 10 June 2025, Wenling Sunrise, a direct wholly-owned subsidiary of the Company, entered into the Confirmation Letter with the Bureau to confirm that Wenling Sunrise successfully bid for the land use rights of the Land located in Qianyangxia Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC offered for sale by the Bureau at the Auction. As a result of the successful bidding, the Land Use Rights Grant Contract was entered into by Wenling Sunrise and the Bureau on 10 June 2025, pursuant to which the Bureau agreed to grant, and Wenling Sunrise agreed to acquire, the land use rights of the Land at a total consideration of RMB52.06 million.

The Land will be used for the construction of Wenling City Shanhaitianqiao\* (山海天嶠) construction project located at Wenqiao Town, Wenling City, Zhejiang Province, the PRC\* (中國浙江省溫嶺市溫嶠鎮).

### 3. THE ACQUISITION

The principal terms of the Acquisition are as follows:

**Date:** 10 June 2025

**Parties to the Land Use Rights Grant Contract:**

- (1) Wenling Sunrise, as the transferee; and
- (2) Wenling City Natural Resources and Planning Bureau\* (溫嶺市自然資源和規劃局), as the transferor.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Bureau and its respective ultimate beneficial owner(s) are Independent Third Parties.

**Consideration and payment terms:** The total Consideration of RMB52.06 million was the bidding price offered by Wenling Sunrise at the Auction for the Acquisition, which was determined by the Wenling Sunrise with reference to, among other things, the initial Auction price for the Acquisition set out by the Bureau, i.e. RMB52.06 million, the market prices and conditions in the vicinity and surrounding area of the Land and the potential development of the Land.

The bidding deposit of RMB10.45 million paid by Wenling Sunrise at the Auction shall become the deposit under the Land Use Rights Grant Contract for the Acquisition. Wenling Sunrise shall settle the remaining balance of the Consideration within 30 days from the date of the Land Use Rights Grant Contract.

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## LETTER FROM THE BOARD

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The Consideration will be funded by the internal resources of the Group and/or financing.

|  |   |
|--|---|
| <b>Information of the Land Plot No.:</b> | GY100417  |
| <b>Location of the Land:</b>             | Qianyangxia Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC |
| <b>Total site area:</b>                  | Approximately 19,271 square meters  |
| <b>Proposed use of the Land:</b>         | Commercial purposes   |
| <b>Term of the land use right:</b>       | 40 years  |

#### 4. REASON FOR AND BENEFITS OF THE ACQUISITION

The Group currently intends to develop and construct the Land into Wenling City Shanhaitianqiao (山海天嶠) construction project, aligning with the development strategy of the Group. Subject to the final approval by the relevant government authority, it is expected that the Land will be developed into 2 commercial office buildings with 11 and 14 storeys each and 1 commercial building with 4 storeys. The construction cost for developing the Land is estimated to be RMB265.0 million, which does not form part of the aggregate costs of the Acquisition and is expected to be funded by the internal resources of the Group and/or financing. The Acquisition will significantly enhance the Group's market position in the overall measuring and cutting tools industry and the Group's ability to broaden its industrial park operation services and expand its property leasing business, positively promoting sustainable development of the Group in the future. The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable and the Acquisition is on normal commercial terms in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

#### 5. FINANCIAL EFFECTS OF THE ACQUISITION

Given that the Land is yet to be developed, the Company considers that there will not be any material effect on the earnings of the Group immediately after the execution of the Land Use Rights Grant Contract with the Bureau pursuant to the Confirmation Letter.

As the Group is expected to finance its contribution to the Consideration using its internal resources and financing, the total investment properties and properties under development for sale of the Group was increased by approximately RMB52.06 million and the Group's net cash position was decreased by approximately RMB42.06 million and the loans would be increased by approximately RMB10.0 million. As such, the total assets and the total liabilities of the Group did not have any material change as a result of the Acquisition. The Company considers that there was not any material effect on the earnings of the Group as a result of the Acquisition.



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## LETTER FROM THE BOARD

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### 6. INFORMATION OF THE PARTIES

#### **The Bureau**

The Bureau is a PRC governmental authority and is responsible for, among other things, the management of the trading operation of public resources. The Bureau falls within the definition of “PRC Governmental Body” under Rule 19A.04 of the Listing Rules. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Bureau and its respective ultimate beneficial owner(s) are Independent Third Parties.

#### **Wenling Sunrise**

Wenling Sunrise, a direct wholly-owned subsidiary of the Company, is principally engaged in investment, real estate development and management, conference and exhibition and related services.

#### **The Group**

The Group is principally engaging in the property leasing business in the measuring and cutting tools market and the operation, management, construction and development of industrial parks and provision of park operation services and integrated professional services.

### 7. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) exceed 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

### 8. WRITTEN SHAREHOLDERS’ APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, written Shareholders’ approval may be accepted in lieu of holding a general meeting of the Company if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition; and (ii) the written Shareholders’ approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting of the Company to approve the Acquisition.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in, and would be required to abstain from voting on, any resolution to approve the Acquisition if the Company were to convene a general meeting to approve the same.

As at the date of this circular, Wenling City Market Group Company Limited\* (溫嶺市市場集團有限公司), a Shareholder, holding 58,200,000 Domestic Shares (representing approximately 72.75% of the share capital of the Company) has given its written approval to the Acquisition and such written approval is accepted in lieu of holding a general meeting. As a result, no extraordinary general meeting will be convened by the Company for the purpose of approving the Acquisition.

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## LETTER FROM THE BOARD

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### 9. RECOMMENDATIONS

The Directors (including the independent non-executive Directors) consider that the Acquisition is in the ordinary and usual course of business of the Group, and the terms thereof are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole. The Directors recommend Shareholders to vote in favour of the resolution based on the reasons set out in this letter if the Company were to convene an extraordinary general meeting for the approval of the Acquisition and voting was required.

### 10. GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

### 11. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By order of the Board  
**Wenling Zhejiang Measuring and  
Cutting Tools Trading Centre Company Limited\***  
溫嶺浙江工量刃具交易中心股份有限公司  
**Jin Guoxin**  
*Chairman*

**1. FINANCIAL INFORMATION OF THE GROUP**

Details of the financial information of the Group for each of the financial years ended 31 December 2022, 2023 and 2024 are disclosed in the following documents which have been published on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://cnglj.com>):

- Annual report of the Company for the year ended 31 December 2024 published on 10 April 2025 (pages 66 to 128)  
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0410/2025041000091.pdf>)
- Annual report of the Company for the year ended 31 December 2023 published on 19 April 2024 (pages 65 to 130)  
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041900021.pdf>)
- Annual report of the Company for the year ended 31 December 2022 published on 21 April 2023 (pages 66 to 132)  
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0421/2023042100249.pdf>)

**2. INDEBTEDNESS STATEMENT**

As at the close of business on 23 June 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the publication of this circular, the Group had the following indebtedness:

**Security and guarantees**

As at the close of business on 23 June 2025, the Group pledged a property and investment property with carrying amounts of approximately RMB5.6 million and approximately RMB817.0 million, respectively, to the bank for the banking facilities of RMB233.0 million, which the unutilised amount was approximately RMB233.0 million.

**Bank and other borrowings and interest accruals**

As at the close of business on 23 June 2025, the Group did not have bank and other borrowings.

**Lease liabilities**

As at the close of business on 23 June 2025, the Group did not have lease liabilities.

**Commitments**

As at the close of business on 23 June 2025, the Group's capital commitments to make contracted payment amounted to approximately RMB0.5 million.

**Contingent liabilities**

As at 23 June 2025, the contingent liabilities of the Group were approximately RMB85.5 million in relation to the mortgage loan guarantees provided by the Group to the banks in favour of its customers for security to the mortgage loans granted, and the property ownership certificates of the respective properties were still pledged for such mortgage loans and will be released upon certain conditions are satisfied.

Save as aforesaid or as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 23 June 2025, any other debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

Save as aforesaid, the Directors are not aware of any other material changes in the indebtedness, contingent liabilities and commitments of the Group since 23 June 2025, the date to which the indebtedness statement is made and up to the Latest Practicable Date.

**3. WORKING CAPITAL SUFFICIENCY**

The Directors are satisfied that after due and careful consideration and taking into account the present internal financial resources available to the Group, the effect of the Acquisition and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

**4. MATERIAL ADVERSE CHANGE**

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated accounts of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP****Overview**

The wave of artificial intelligence is sweeping across the world. The PRC's manufacturing sector is leveraging automation, machine learning, computer vision, and other AI technologies to meet users' increasing demands and transform its production methods, to achieve breakthroughs in production efficiency and product competitiveness.

Measuring and cutting tools industry, which is fundamental for manufacturing industry, is also facing new opportunities and challenges under the general trend of transformation and upgrading of industries empowered by artificial intelligence. As a key participant in the industry, the Group will actively explore with its customers on how to utilize the Company's venues and services to assist the customers in promoting the digital transformation of traditional industries through technological means such as AI, cloud computing and big data, thus enhancing the production efficiency and innovation capabilities of enterprises.

The Group is principally engaged in the measuring and cutting tools market and the operation and management of industrial parks and provides park operation services and integrated professional services in addition to carrying out its leasing business. Phase I of the Science and Technology Innovation Park is well on its track and given the continuous boom of the measuring and cutting tools industry, the Group plans to initiate phase II project. Meanwhile, the Group plans to integrate its resources to provide customers with value-added services such as logistics, property and e-commerce, and by exploring upstream and downstream mergers and establishing a cross border e-commerce team, the Group will diversify its businesses and be committed to becoming an integrated service provider for the leasing, operation and services of the measuring and cutting tools industrial park.

### **Future Prospects**

The global economic recovery will continue to face uncertainties such as inflationary pressure and high energy costs. However, the PRC's manufacturing sector will maintain its trajectory of ascending to the high-end of the value chain. For the measuring and cutting tools industry, the deep integration of artificial intelligence and Internet of Things technologies will further unleash market demand for smart cutting tools and online monitoring systems. The explosive growth of strategic emerging industries such as new energy and semiconductors will place higher requirements for ultra-precision machining tools. Facing new situations, Zhejiang Measuring and Cutting Tools Trading Centre aims to "build a world-class service platform for measuring and cutting tools" through the following strategic measures: firstly, with primary businesses and the expansion of scale of leasing areas at its core, the centre will build up a one-stop support service system encompassing logistics, property, e-commerce, ancillary value-added services, and investment management either through operations within the Group or the introduction of excellent external management teams. The Group plans to continue its effort in consolidating existing resources to provide clients with ancillary value-added services related to logistics, property, and e-commerce; secondly, the Group intends to achieve incremental growth through mergers and acquisitions of companies or teams within the measuring and cutting tools industry, ultimately transforming the Company into a comprehensive service provider oriented towards manufacturing and research and development; lastly, it will deepen digital empowerment, adhere to innovation-driven development, and assist clients in exploring applications of AI and blockchain technologies to enhance transaction efficiency and transparency.

**Vincorn Consulting and Appraisal Limited**  
Units 1602-4, 16/F  
No. 308 Des Voeux Road Central  
Hong Kong

**The Board of Directors**

Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited\*  
Qianyangxia Village,  
Wenqiao Town, Wenling,  
Taizhou, Zhejiang Province,  
The People's Republic of China

25 July 2025

Dear Sirs,

**INSTRUCTION AND VALUATION DATE**

We refer to your instructions for us to assess the Market Values of the property interests located in The People's Republic of China ("**The PRC**") to be acquired by Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited\* (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Values of the property interests as at 30 June 2025 (the "**Valuation Date**").

**VALUATION STANDARDS**

The valuation has been prepared in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2025 and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**VALUATION BASIS**

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

**VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale.

As the property interests are held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the land use rights.

**VALUATION METHODOLOGY**

When valuing the property interests to be acquired by the Group, we have adopted Market Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

**LAND TENURE AND TITLE INVESTIGATION**

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the legal opinion dated 22 July 2025 given by The PRC legal adviser of the Group, Zhejiang L&H Law Firm, regarding the titles of the property interests located in The PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter, the valuation summary and the valuation certificates are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter, the valuation summary and the valuation certificates.

**INFORMATION SOURCES**

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the titles of the property interests located in The PRC. We have also accepted advice given to us on matters such as identification of the properties, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

**INSPECTION AND INVESTIGATIONS**

The properties were inspected and no material building defects were identified during inspection. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the properties. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the properties and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the properties and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.



**CURRENCY**

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“**RMB**”).

The valuation summary and the valuation certificates are attached hereto.

Yours faithfully,  
For and on behalf of  
**Vincorn Consulting and Appraisal Limited**

**Vincent Cheung**  
*BSc (Hons) MBA FHKIS FRICS R.P.S.(GP)*  
*MCIREA MHKSI MISCM MHIREA FHKIoD*  
*RICS Registered Valuer*  
*Registered Real Estate Appraiser & Agent PRC*  
*Managing Director*

*Note:*

*Vincent Cheung is fellow of the Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region (“**Hong Kong**”), a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People’s Republic of China. He is suitably qualified to carry out the valuation and has over 27 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.*

## VALUATION CERTIFICATE

## Property Interests to be Acquired by the Group for Future Development in The PRC

| Property   | Description and Tenure   | Occupancy Particulars  | Market Value as at 30 June 2025   |
|--|--|--|---|
| A parcel of land located at East of Kaiyuan Road and West of Huaxiang Road, Qianyangxia Village, Wenqiao Town, Wenling City, Taizhou, Zhejiang Province, The PRC | <p>The property comprises a parcel of land with a total site area of approximately 19,271.00 square meters (“sq.m.”).</p> <p>As per the State-owned Land Use Rights Grant Contract, the minimum and maximum plot ratio of the property would be 1.5 and 2.5 respectively.</p> <p>The land use rights of the property would be granted for a term of 40 years for commercial uses upon all the land consideration being fully paid.</p> | As per our on-site inspection and information provided by the Group, the property is currently vacant. | <p>RMB52,500,000 (RENMINBI FIFTY TWO MILLION AND FIVE HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB52,500,000 (RENMINBI FIFTY TWO MILLION AND FIVE HUNDRED THOUSAND)</p> |

## Notes:

- The property was inspected by Charlotte Xu *BSc (Hons) MRICS RICS Registered Valuer* on 22 July 2025.
- The valuation and this certificate were prepared by Vincent Cheung *BSc (Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc (Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to a State-owned Land Use Rights Grant Contract, entered into between Wenling Natural Resources and Planning Bureau and Wenling City Xuri Investment Co., Ltd, the land use rights of the subject site with a total site area of approximately 19,271.00 sq.m. were granted to Wenling City Xuri Investment Co., Ltd at a total consideration of RMB52,060,000 for a term of 40 years for commercial; uses.

The details of the State-owned Land Use Rights Grant Contract are summarized below:

| Contract No.                   | Date of Issue | Use        | Land Use Rights Term | Consideration (RMB) | Site Area (sq.m.) |
|--------------------------------|---------------|------------|----------------------|---------------------|-------------------|
| Wen Tu Rang He Zi No. 2025-049 | 10 June 2025  | Commercial | 40 Years             | 52,060,000          | 19,271.00         |

4. Pursuant to the State-Owned Land Use Rights Grant Contract, the development potential of the property is governed by the following conditions:

|                     |   |   |
|---------------------|---|---|
| Plot Ratio          | : | Not less than 1.5 and not higher than 2.5   |
| Building Height     | : | Not higher than 80 metres   |
| Site Coverage       | : | Not higher than 55%   |
| Greenery Coverage   | : | Not less than 20%   |
| Construction Period | : | Commence and completed within 12 months and 36 months respectively from the date of execution of the State-Owned Land Use Rights Grant Contract |

As advised by the Group, the property has yet to obtain any permits or approvals related to the future development as at the Valuation Date.

5. The general description and market information of the property are summarized below:

|                            |   |  |
|----------------------------|---|--|
| Location                   | : | The property is located at East of Kaiyuan Road and West of Huaxiang Road, Qianyangxia Village, Wenqiao Town, Wenling City, Taizhou, Zhejiang Province, The PRC.   |
| Transportation             | : | Taizhou Luqiao Airport, Wenling Railway Station and Wenling 1st Peoples' Hospital Metro Station of Taizhou S1 Metro Line are located approximately 27.0 kilometres, 12.0 kilometres and 5.5 kilometres away from Property respectively |
| Nature of Surrounding Area | : | The area is predominately an industrial area in Wenqiao Town intermingled with some residential and commercial buildings available   |

6. We have been provided with a PRC legal opinion dated 22 July 2025, regarding the property by Zhejiang L&H Law Firm, which contains, inter alia, the following:

- (a) Wenling City Xuri Investment Co., Ltd. has duly performed its obligation to settle the consideration under the State-Owned Construction Land Use Rights Grant Contract, has taken physical delivery of the granted land parcel, and currently holds the state-owned land use rights of the property in accordance with laws;
- (b) Wenling City Xuri Investment Co., Ltd. can occupy, use, let, transfer, mortgage or by other means handle the relevant state-owned land use rights of the property subject to the completion of real estate title registration and the compliance with the minimum development of 25% of the total investment amount as stipulated under Condition 21 of the State-Owned Construction Land Use Right Grant Contract; and
- (c) The state-owned land use rights of the property are not subject to any seizures, disputes, mortgages nor limitations from other rights.

7. In the course of our valuation of the property, we have considered and analysed the land sale comparables in the vicinity. The land sale comparables collected on an exhaustive basis are considered relevant to the Property Interest in terms of property type, usage, time and location. All comparables are land sales of commercial uses transacted within 6 months before the Valuation Date and located in the same city of Taizhou. The unit rates of the adopted comparables are ranging from RMB746 to RMB1,306 per sq.m. on the basis of permitted maximum gross floor area. After due adjustments in terms of different attributes including time, location and usage. The unit rates of the adopted comparables are adjusted to a range of RMB986 to RMB1,256 per sq.m. on the basis of permitted maximum gross floor area, which are then weighted evenly to derive the adopted unit rate of RMB1,090 per sq.m. on the basis of permitted maximum gross floor area for the property.

The details of land sale comparables are summarised as below:

|  | Comparable 1                        | Comparable 2   | Comparable 3                                      | Comparable 4                                       |
|--|-------------------------------------|--|---|--|
| Land Parcel  | Wenling City<br>Lot No.<br>XQ070110 | Wenling City<br>Lot No.<br>CD020806                          | Yucheng<br>Sub-district<br>Lot No.<br>NCB011-0105 | Yucheng<br>Sub-district<br>Lot No.<br>NCG062-0111c |
| Address  | Shentongmen<br>Village              | North of Jiulong<br>Avenue, East<br>of Luze Tai<br>Yiji Road | Xiqing Tang                                       | Tangli Village                                     |
| District   | Wenling City                        | Wenling City   | Yuhuan City                                       | Yuhuan City  |
| City   | Taizhou                             | Taizhou  | Taizhou   | Taizhou  |
| Site Area (sq.m.)  | 9,363.00                            | 11,022.00  | 10,466.00   | 5,608.00   |
| Maximum GFA (sq.m.)  | 18,726.00                           | 27,555.00  | 15,699.00   | 19,628.00  |
| Plot Ratio   | 2.00                                | 2.50   | 1.50  | 3.50   |
| Permitted Uses   | Commercial                          | Commercial   | Commercial  | Commercial   |
| Land Use Rights  | Granted                             | Granted  | Granted   | Granted  |
| Land Use Rights Term (Years)   | 40                                  | 40   | 40  | 40   |
| Consideration (RMB)  | 15,200,000                          | 20,550,000   | 20,500,000  | 19,400,000   |
| Unit Rate (RMB/sq.m.) <i>(on the basis of permitted maximum GFA)</i> | 812                                 | 746  | 1,306   | 988  |
| Date of Instrument   | Apr-2025                            | Apr-2025   | Feb-2025  | May-2025   |

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. DISCLOSURE OF INTERESTS****(i) Interests and short positions of Directors, supervisors and chief executives in the Shares, underlying Shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, none of our Directors, Supervisors or the chief executives of the Company has any interests or short positions in any Shares, underlying shares of the Company (the “**Share**”) and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“**SFO**”)), which were required: (i) to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register required to be kept therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange.

**(ii) Substantial Shareholders’ and other persons’ interests and short positions in Shares and underlying Shares of the Company**

As at the Latest Practicable Date, to the knowledge of the Directors of the Company, the following persons, other than Directors and chief executives of the Company, had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein:

# APPENDIX III

# GENERAL INFORMATION

| Name of Shareholders   | Capacity/<br>Nature of interest                        | Number and<br>class of securities<br>(Note 1) | Approximate<br>percentage of<br>shareholding<br>in the relevant<br>class of Shares<br>(Note 2) | Approximate<br>percentage of<br>shareholding<br>in total share<br>capital of the<br>Company<br>(Note 3) |
|--|--|---|--|---|
| Wenling City Market Group<br>Company Limited* (溫嶺市市場<br>集團有限公司) (“ <b>Market<br/>Group</b> ”) (Note 15)  | Beneficial owner<br>(Note 4 & 5)                       | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Qiaoling Investment<br>Development Company<br>Limited* (溫嶺市嶠嶺投資發展<br>有限公司) (“ <b>Qiaoling<br/>Investment</b> ”) (Note 16)   | Beneficial owner<br>(Note 6)                           | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>People’s Government* (溫嶺市<br>溫嶠鎮人民政府) (“ <b>Wenqiao<br/>Town People’s Government</b> ”)   | Interest in controlled<br>corporation<br>(Notes 4 & 6) | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Maowei Investment<br>Company Limited* (溫嶺市茅威<br>投資有限公司) (“ <b>Maowei<br/>Investment</b> ”) (Note 17)  | Beneficial owner<br>(Note 7)                           | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>Maoyang Village Share<br>Economic Cooperative* (溫嶺市<br>溫嶠鎮茅洋村股份經濟合作社)<br>(“ <b>Maoyang Village Share<br/>Economic Cooperative</b> ”)<br>(Note 17) | Interest in controlled<br>corporation<br>(Note 7)      | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>Maoyang Village Villagers<br>Committee* (溫嶺市溫嶠鎮茅洋<br>村村民委員會) (“ <b>Maoyang<br/>Village Committee</b> ”) (Note 17)                                 | Interest in controlled<br>corporation<br>(Notes 4 & 7) | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Qianyang Investment<br>Company Limited* (溫嶺市前洋<br>投資有限公司) (“ <b>Qianyang<br/>Investment</b> ”)  | Beneficial owner<br>(Note 8)                           | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |

# APPENDIX III

# GENERAL INFORMATION

| Name of Shareholders   | Capacity/<br>Nature of interest                        | Number and<br>class of securities<br>(Note 1) | Approximate<br>percentage of<br>shareholding<br>in the relevant<br>class of Shares<br>(Note 2) | Approximate<br>percentage of<br>shareholding<br>in total share<br>capital of the<br>Company<br>(Note 3) |
|--|--|---|--|---|
| Wenling City Wenqiao Town<br>Qianyangxia Village Share<br>Economic Cooperative* (溫嶺市<br>溫嶠鎮前洋下村股份經濟合作<br>社) (“Qianyangxia Village<br>Share Economic Cooperative”)      | Interest in controlled<br>Corporation<br>(Note 8)      | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>Qianyangxia Village Villagers<br>Committee* (溫嶺市溫嶠鎮前洋<br>下村村民委員會)<br>(“Qianyangxia Village<br>Committee”)                                 | Interest in controlled<br>corporation<br>(Notes 4 & 8) | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Shangyu Investment<br>Company Limited* (溫嶺市上宇<br>投資有限公司) (“Shangyu<br>Investment”) (Note 17)  | Beneficial owner<br>(Note 9)                           | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>Shangjie Village Share<br>Economic Cooperative* (溫嶺市<br>溫嶠鎮上街村股份經濟合作社)<br>(“Shangjie Village Share<br>Economic Cooperative”)<br>(Note 18) | Interest in controlled<br>corporation<br>(Note 9)      | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>Shangjie Village Villagers<br>Committee* (溫嶺市溫嶠鎮上街<br>村村民委員會)<br>(“Shangjie Village<br>Committee”) (Note 18)                              | Interest in controlled<br>corporation<br>(Note 6)      | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Zhongjie Hede<br>Investment Company Limited*<br>(溫嶺市中街和德投資有限公司)<br>(“Zhongjie Hede Investment”)<br>(Note 18)  | Beneficial owner<br>(Note 10)                          | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |

# APPENDIX III

# GENERAL INFORMATION

| Name of Shareholders   | Capacity/<br>Nature of interest                         | Number and<br>class of securities<br>(Note 1) | Approximate<br>percentage of<br>shareholding<br>in the relevant<br>class of Shares<br>(Note 2) | Approximate<br>percentage of<br>shareholding<br>in total share<br>capital of the<br>Company<br>(Note 3) |
|--|---|---|--|---|
| Wenling City Wenqiao Town<br>Zhongjie Village Share<br>Economic Cooperative* (溫嶺市<br>溫嶠鎮中街村股份經濟合作社)<br>("Zhongjie Village Share<br>Economic Cooperative")<br>(Note 19) | Interest in controlled<br>corporation<br>(Note 10)      | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>Zhongjie Village Villagers<br>Committee* (溫嶺市溫嶠鎮中街<br>村村民委員會)<br>("Zhongjie Village<br>Committee") (Note 19)                              | Interest in controlled<br>corporation<br>(Notes 4 & 10) | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Botao Investment<br>Company Limited* (溫嶺市博濤<br>投資有限公司) ("Botao<br>Investment")  | Beneficial owner<br>(Note 11)                           | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>Xuzhai Village Share Economic<br>Cooperative* (溫嶺市溫嶠鎮許<br>宅村股份經濟合作社) ("Xuzhai<br>Village Share Economic<br>Cooperative")                  | Interest in controlled<br>corporation<br>(Note 11)      | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>Xuzhai Village Villagers<br>Committee* (溫嶺市溫嶠鎮許宅<br>村村民委員會)<br>("Xuzhai Village Committee")   | Interest in controlled<br>corporation<br>(Notes 4 & 11) | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Zhang Laoqiao<br>Investment Company Limited*<br>(溫嶺市張老橋投資有限公司)<br>("Zhang Laoqiao Investment")  | Beneficial owner<br>(Note 12)                           | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |



# APPENDIX III

# GENERAL INFORMATION

| Name of Shareholders  | Capacity/<br>Nature of interest                         | Number and<br>class of securities<br>(Note 1) | Approximate<br>percentage of<br>shareholding<br>in the relevant<br>class of Shares<br>(Note 2) | Approximate<br>percentage of<br>shareholding<br>in total share<br>capital of the<br>Company<br>(Note 3) |
|---|---|---|--|---|
| Wenling City Wenqiao Town<br>Zhang Laoqiao Village<br>Share Economic Cooperative*<br>(溫嶺市溫嶠鎮張老橋村股份經<br>濟合作社)<br>("Zhang Laoqiao Village Share<br>Economic Cooperative") | Interest in controlled<br>corporation<br>(Note 12)      | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Wenling City Wenqiao Town<br>Zhang Laoqiao Village Villagers<br>Committee* (溫嶺市溫嶠鎮張老<br>橋村村民委員會) ("Zhang<br>Laoqiao Village Committee")                                 | Interest in controlled<br>corporation<br>(Notes 4 & 12) | 58,200,000<br>Domestic Shares (L)             | 97.00%   | 72.75%  |
| Jiaxing Yuntai Equity Investment<br>Partnership (Limited<br>Partnership)* (嘉興元泰股權投<br>資合夥企業(有限合夥))  | Interest in controlled<br>corporation<br>(Note 13)      | 5,980,000<br>H Shares (L)                     | 29.90%   | 7.48%   |
| Hongkong Regan Investment<br>Center Co., Limited* (香港雷根<br>投資中心有限公司)  | Beneficial owner<br>(Note 13)                           | 5,980,000<br>H Shares (L)                     | 29.90%   | 7.48%   |
| Zhejiang QJmotor Co., Ltd. (浙江<br>錢江摩托股份有限公司)   | Beneficial owner  | 3,275,813<br>H Shares (L)                     | 16.38%   | 4.09%   |
| Wanbangde (Hangzhou)<br>Investment and Management<br>Co., Ltd. (萬邦德(杭州)投資管<br>理有限公司)  | Beneficial owner  | 1,605,151<br>H Shares (L)                     | 8.03%  | 2.01%   |
| Wenling Longxi Corporate<br>Management Centre (Limited<br>Partnership) (溫嶺龍溪企業管理<br>中心(有限合夥))   | Interest in controlled<br>corporation<br>(Note 14)      | 1,266,000<br>H Shares (L)                     | 6.33%  | 1.58%   |
| Shimge Pump Industry (Zhejiang)<br>Co., Ltd. (新界泵業(浙江)有限<br>公司)   | Interest in controlled<br>corporation<br>(Note 14)      | 1,266,000<br>H Shares (L)                     | 6.33%  | 1.58%   |

| Name of Shareholders  | Capacity/<br>Nature of interest                    | Number and<br>class of securities<br>(Note 1) | Approximate<br>percentage of<br>shareholding<br>in the relevant<br>class of Shares<br>(Note 2) | Approximate<br>percentage of<br>shareholding<br>in total share<br>capital of the<br>Company<br>(Note 3) |
|---|--|---|--|---|
| Shimge (HongKong) Co., Limited<br>(新界泵業(香港)有限公司)            | Interest in controlled<br>corporation<br>(Note 14) | 1,266,000<br>H Shares (L)                     | 6.33%  | 1.58%   |
| Zhejiang Zomax Transmission<br>Co., Ltd. (浙江中馬傳動股份有<br>限公司) | Beneficial owner                                   | 1,097,395<br>H Shares (L)                     | 5.49%  | 1.37%   |
| Han Yi (韓軼)   | Beneficial owner                                   | 1,024,500<br>H Shares (L)                     | 5.12%  | 1.28%   |

## Notes:

1. The letter “L” denotes a person’s long position (as defined under Part XV of the SFO) in the Domestic Shares or H Shares.
2. The calculation is based on the percentage of shareholding in the relevant class of Shares.
3. The calculation is based on the total number of 80,000,000 Shares in issue comprising 60,000,000 Domestic Shares and 20,000,000 H Shares as at 31 December 2024.
4. Pursuant to the Concert Party Agreement and Concert Party Supplemental Agreement, details of which are set out in paragraph headed “History, Development and Reorganisation – Concert Party Arrangement” of the prospectus of the Company dated 11 December 2020, immediately following completion of the Global Offering, Market Development Service Centre, Wenqiao Town People’s Government, Qianyangxia Village Committee, Maoyang Village Committee, Zhongjie Village Committee, Shangjie Village Committee, Xuzhai Village Committee and Zhang Laoqiao Village Committee are acting in concert with one another and each of them is deemed to exercise or control the exercise of 72.75% of the voting power at general meetings of the Company, and is therefore deemed to be interested under the SFO.
5. Wenling State Owned Assets Investment holds the entire equity interest of Market Group. Therefore, under the SFO, Wenling State Owned Assets Investment is deemed or taken to be interested in all the Shares which are beneficially owned by Market Group.
6. Wenqiao Town People’s Government holds the entire equity interest of Qiaoling Investment. Therefore, under the SFO, Wenqiao Town People’s Government is deemed or taken to be interested in all the Shares which are beneficially owned by Qiaoling Investment.
7. Maoyang Village Committee holds the entire equity interest of Maoyang Village Share Economic Cooperative which holds the entire equity interests of Maowei Investment. Therefore, under the SFO, each of Maoyang Village Committee and Maoyang Village Share Economic Cooperative is deemed or taken to be interested in all the Shares which are beneficially owned by Maowei Investment.
8. Qianyangxia Village Committee holds the entire equity interest of Qianyangxia Village Share Economic Cooperative which holds the entire equity interests of Qianyang Investment. Therefore, under the SFO, each of Qianyangxia Village Committee and Qianyangxia Village Share Economic Cooperative is deemed or taken to be interested in all the Shares which are beneficially owned by Qianyang Investment.

9. Shangjie Village Committee holds the entire equity interest of Shangjie Village Share Economic Cooperative which holds the entire equity interests of Shangyu Investment. Therefore, under the SFO, each of Shangjie Village Committee and Shangjie Village Share Economic Cooperative is deemed or taken to be interested in all the Shares which are beneficially owned by Shangyu Investment.
10. Zhongjie Village Committee holds the entire equity interest of Zhongjie Village Share Economic Cooperative, which holds the entire equity interests of Zhongjie Hede Investment. Therefore, under the SFO, each of Zhongjie Village Committee and Zhongjie Village Share Economic Cooperative is deemed or taken to be interested in all the Shares which are beneficially owned by Zhongjie Hede Investment.
11. Xuzhai Village Committee holds the entire equity interest of Xuzhai Village Share Economic Cooperative which holds the entire equity interests of Botao Investment. Therefore, under the SFO, each of Xuzhai Village Committee and Xuzhai Village Share Economic Cooperative is deemed or taken to be interested in all the Shares which are beneficially owned by Botao Investment.
12. Zhang Laoqiao Village Committee holds the entire equity interest of Zhang Laoqiao Village Share Economic Cooperative which holds the entire equity interests of Zhang Laoqiao Investment. Therefore, under the SFO, each of Zhang Laoqiao Village Committee and Zhang Laoqiao Village Share Economic Cooperative is deemed or taken to be interested in all the Shares which are beneficially owned by Zhang Laoqiao Investment.
13. Jiaxing Yuntai Equity Investment Partnership (Limited Partnership) holds the entire equity interest of Hongkong Regan Investment Center Co., Limited. Therefore, under the SFO, each of Jiaxing Yuntai Equity Investment Partnership (Limited Partnership) is deemed or taken to be interested in all the Shares which are beneficially owned by Hongkong Regan Investment Center Co., Limited.
14. Wenling Longxi Corporate Management Centre (Limited Partnership) holds 40% equity interest of Shimgo Pump Industry (Zhejiang) Co., Ltd. which holds the entire equity interest of Shimgo (Hong Kong) Co., Limited. Therefore, under the SFO, each of Wenling Longxi Corporate Management Centre (Limited Partnership) and Shimgo Pump Industry (Zhejiang) Co., Ltd. is deemed or taken to be interested in all the Shares which are beneficially owned by Shimgo (HongKong) Co., Limited.
- (15) Mr. Jin Guoxin is the party committee member, director and deputy general manager of Market Group.
- (16) Mr. Guo Jun is the deputy general manager of Qiaoling Investment.
- (17) Mr. Wang Wenming is the legal representative of Maowei Investment and Shangyu Investment, and a manager (主任) of Maoyang Village Share Economic Cooperative and Maoyang Village Committee.
- (18) Mr. Cheng Jinyun is a manager (主任) of Shangjie Village Share Economic Cooperative and Shangjie Village Committee, and the legal representative of Zhongjie Hede Investment.
- (19) Mr. Ye Yunzhi is a manager (主任) of Zhongjie Village Share Economic Cooperative and Zhongjie Village Committee.

Save as disclosed above and as at the Latest Practicable Date, to the best knowledge of the Directors, (i) no other persons (not being Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein; and (ii) no other Director is a director or employee of a company that had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**3. DIRECTORS' SERVICE CONTACT**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

**4. DIRECTORS' INTEREST IN COMPETING BUSINESS**

None of the Directors or their respective close associates had any interests in any business which competed or might compete, either directly or indirectly, with the business of the Group as at the Latest Practicable Date.

**5. MATERIAL INTEREST**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting on the date of this circular which was significant in relation to the business of the Group.

**6. MATERIAL CONTRACTS**

As at the Latest Practicable Date, save as the Confirmation Letter and the Land Use Right Grant Contract, there is no material contract (not being contracts entered into in the ordinary course of business) entered into by members of the Group within the two years immediately preceding the Latest Practicable Date.

**7. EXPERT AND CONSENT**

The following is the qualification of the expert who has given opinion or advice for inclusion in this circular:

| <b>Name</b>                              | <b>Qualification</b>        |
|--|-----------------------------|
| Vincorn Consulting and Appraisal Limited | Independent property valuer |

Such expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter of advice or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, such expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, such expert had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to, or proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2024 (the date to which the latest published audited consolidated financial statements of the Company were made up).

## **8. LITIGATION AND CLAIMS**

As at the Latest Practicable Date, the Group was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Group.

## **9. GENERAL**

The company secretary of the Company is Mr. Xu Yi, and is primarily responsible for overseeing corporate governance, compliance, risk management and company secretarial matters of our Group.

The registered office and headquarters of the Company is at Qianyangxia Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC. The principal place of business in Hong Kong is at Suite No. 11B, 22/F, Skyline Tower, No. 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The H share registrar of the Company is Tricor Investor Services Limited, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

## **10. DOCUMENTS ON DISPLAY**

Copies of the following documents are published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://cnglj.com>) during the period of 14 days from the date of this circular:

- (a) the Confirmation Letter;
- (b) the Land Use Right Grant Contract;
- (c) the valuation report of the Land, the text of which is set out in Appendix II to this circular;  
and
- (d) written consent referred to in the section headed “Expert and Consent” in Appendix III to this circular.

\* For identification purpose only